

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

IN RE:	Application of Teliix, Inc. for a)	APPLICATION OF TELIAX FOR
	Certificate of Public Convenience and)	A CERTIFICATE OF PUBLIC
	Necessity to Provide Facilities-based)	CONVENIENCE AND
	Local Exchange and Resold Long)	NECESSITY TO PROVIDE
	Distance Telecommunications)	FACILITIES-BASED LOCAL
	Services and for Flexible Regulation)	EXCHANGE AND RESOLD
	of Local Exchange Services And)	LONG DISTANCE
	Alternative Regulation of Long)	TELECOMMUNICATIONS
	Distance Service Offerings)	SERVICES
)	

Teliix, Inc. (“Teliix” or “Applicant”), pursuant to S.C. Code Ann. § 58-9-280(B), and Section 253 of the Telecommunications Act of 1996, respectfully submits this Application for Authority to Provide Facilities Based Local Exchange Service and Resold Long Distance Service within the State of South Carolina. In addition, Teliix requests that the Commission regulate its local telecommunications services in accordance with the principles and procedures established for flexible regulation in Order No. 98-165 in Docket No. 97-467-C. Pursuant to S.C. Code Ann. § 58-9-585 and the general regulatory authority of the Public Service Commission of South Carolina, (the “Commission”), Applicant also requests that the Commission regulate its long distance business service and operator service offerings as described below in accordance with the principles and procedures established for alternative regulation in Orders No. 95-1734 and 96-55 in Docket No. 95-661-C, and as modified by Order No. 2001-997 in Docket No. 2000-407-C.

Teliix proposes to offer competitive telecommunications service, including exchange access service, within the state of South Carolina using its own facilities. It may also utilize services available from other facilities-based carriers. Teliix will provide service to VoIP-enabled business customers and Telephony Applications providers on a retail, wholesale, carrier level, including public switched telephone network (“PSTN”) connectivity and intermediate carrier functions. Petitioner will negotiate an interconnection agreement in accordance with 47 U.S.C. Section 252 and applicable rules.

All services are available twenty-four (24) hours per day, seven (7) days a week. The Applicant will commence offering service following the granting of this application.

Approval of this application will promote the public interest by increasing the level of competition within South Carolina. This competition will mandate that all exchange telecommunications providers will operate more efficiently, enabling the consumer to benefit via reduced rates.

In support of this Application, Teliix respectfully states as follows:

1. The name and address of the Applicant are:

Teliix, Inc.
2150 W 29th Avenue, #200
Denver, Colorado 80211
Telephone: 303-629-8301
Facsimile: 303-629-8344
Toll Free: 888-483-5429
Website: www.teliix.com

2. All correspondence, notices, inquiries and other communications regarding this application should be sent to:

Frank R. Ellerbe, III
Samuel J. Wellborn
ROBINSON GRAY STEPP & LAFFITTE, LLC
1310 Gadsden Street
Columbia, SC 29201
Telephone: 803-929-1400
Email: fellerbe@robinsongray.com
swellborn@robinsongray.com

with a copy to:

Carey Roesel
Consultant to Teliix, Inc.
Inteserra Consulting Group, Inc.
151 Southhall Lane, Suite 450
Maitland, Florida 32751
Telephone: 407-740-3006
Facsimile: 407-740-0613

3. Contact person regarding ongoing operations of the Company is:

David Aldworth, President
Teliix, Inc.
2150 W 29th Avenue, #200
Denver, Colorado 80211
Telephone: 303-629-8301
Facsimile: 303-629-8344
Toll Free: 888-483-5429
Email: daldworth@teliix.com

4. Description of Applicant

Teliix is a Corporation organized under the laws of the State of Colorado on October 6, 2004. A copy of Teliix's Articles of Incorporation is provided in **Exhibit A**.

5. Officers/Members and Legal Counsel

See **Exhibit B**.

6. Customer Service

Teliix's customer care department is open 24 hours per day, 7 days a week to handle any service, billing, or repair complaints. The Applicant's toll-free telephone number for customer inquiries, complaints and repair is 1-888-483-5429. Customers may also contact the company in writing at the headquarters address indicated below.

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2150 W 29th Avenue, #200
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7. Financial Ability

The Applicant and its owners have sufficient financial resources to initiate and maintain local and interexchange services and related operations in South Carolina as proposed in this Application. Teliix has operated successfully in the state of Colorado since 2011, and currently has authorization to provide telecommunications services in eighteen other jurisdictions. Further, Teliix does not intend to offer prepaid debit card services.

8. Managerial and Technical Ability

Teliix's technical and managerial personnel are well qualified to direct the provisioning, delivery, billing and customer service for the proposed services.

The management of Teliix has great depth of experience in the telecommunications industry and offers extensive telecommunications business, technical, and managerial expertise to Teliix. Descriptions of the qualifications and backgrounds for Applicant's key personnel are attached hereto as **Exhibit C**.

9. Proposed Service Territory

Teliix proposes to offer facilities-based local exchange service and resold long distance service. We are requesting state-wide authority to provide both local exchange and interexchange services within South Carolina. We plan to initially provide local service within the present operating areas of AT&T (BellSouth). Long distance service will be offered throughout the State of South Carolina. **Exhibit D** contains the proposed local and interexchange tariff of Teliix and **Exhibit E** contains the Company's proposed access services tariff.

10. Public Interest and Need

Approval of this application and Teliix's proposed tariffs will serve the public interest and offer several benefits to consumers in South Carolina. First and foremost, Teliix will offer its Customers the ability to have seamless service for local services as well as intrastate, interstate and international toll services.

The granting of Teliix's application is consistent with S.C. Code Ann. §58-9-280(B), as amended by 1996 Act No. 354, and, in that regarding Teliix makes the following representations to the Commission:

- A. Applicant possesses the technical, financial, and managerial resources sufficient to provide the services requested;
- B. The provision of local service by Applicant will not adversely impact the availability of affordable local exchange service;
- C. Applicant's local services will meet the service standards required by the Commission;
- D. Applicant, to the extent it is required to do so by the Commission, will participate in the support of universally available telephone service at affordable rates; and,
- E. The provision of local service by Applicant will not adversely impact the public interest.

Teliix's entry into the local market will not disadvantage any telephone service providers. Incumbent LECs are presently serving most local exchange customers in South Carolina. The history of telecommunications competition has demonstrated that as new entrants improved the price performance of service, consumers benefited from a wider choice of service and options. The resulting reduced rates that competitive pressures brought to the market stimulated demand, resulting in growing revenues for both new entrants and established firms. Teliix expects this same phenomenon to affect local service over time, thus creating a larger market for all carriers. Therefore, the approval of Teliix's application is clearly in the public interest.

11. Waivers and Regulatory Compliance

Teliix requests that the Commission grant it a waiver of those regulatory requirements inapplicable to competitive local service providers. Such rules are not appropriate for competitive providers and constitute an economic barrier to entry into the local exchange market.

- A. Teliix requests that it be exempt from any financial recording rules or regulations that require a carrier to maintain its financial records in conformance with the Uniform System of Accounts ("USOA"). As a competitive provider, Teliix

currently maintains its books and records in accordance with Generally Accepted Accounting Principles (“GAAP”). GAAP is used extensively by interexchange carriers. Since Teliix utilizes GAAP, the Commission will have a reliable method by which to evaluate Teliix’s operations. Therefore, Teliix requests to be exempt from any and all USOA requirements of the Commission.

- B. In addition, Teliix requests a waiver of S.C. Reg. 103-610, and to be allowed to maintain its books and records at its headquarters location in Denver, Colorado. In the event that the Commission finds it necessary to review Teliix’s books, this information will be provided upon request to the Commission or Teliix will bear the expense of travel for the Commission staff to examine the books and records located outside of South Carolina.
- C. Teliix also requests a waiver of S.C. Reg. 103-631 so that it will not be required to publish local exchange directories. Teliix will make arrangements with the incumbent LECs whereby the names of Teliix’s customers will be included in the directories published by the incumbent LECs. These directories will be distributed to Teliix’s customers. This approach is entirely reasonable and will have a direct benefit to the customers of both Teliix and the incumbent LECs since customers will have to refer to only one directory for a universal listing of customer information. It would be an unnecessary burden on the Applicant to require that it publish and distribute its own directory to all customers located within each exchange area, particularly since nearly all of these customers will be customers of the incumbent LECs. It is more efficient for Teliix to simply include its customer list in the existing directories of the incumbent LECs.

Teliix reserves the right to seek any regulatory waivers which may be required for Teliix to compete effectively within the state’s local exchange and resale market.

12. Flexible Regulation of Local Exchange Services

In Docket No. 97-467-C, the Commission approved a rate structure that incorporated maximum rate levels with the flexibility for adjustment below the maximum rate levels. The Commission determined that local tariff filings would be presumed valid upon filing, subject to the Commission's right within thirty days to institute an investigation of a tariff filing and that any such tariff filings would be subject to the same monitoring process as similarly situated competitive local exchange carriers. Teliix submits that as a local exchange competitor it should be subject to regulatory constraints no greater than those imposed in the above mentioned docket. The Applicant requests that its local exchange service tariff filings be regulated under this form of flexible regulation.

13. Alternative Regulation of Business Service Offerings

In Docket No. 95-661-C in response to a Petition for Alternative Regulation by AT&T Communications of the Southern States, the Commission determined that there was sufficient competition in the market for interexchange telecommunication services to justify a relaxation in the manner in which AT&T was regulated. The Commission determined that AT&T was not required to file maximum rates for long distance business service offerings and that its tariffs be presumed valid upon filing, subject to the Commission's right within seven days to institute an investigation of the tariff filing. Teliix submits that as a competitor of AT&T in the market for providing telecommunication services to customers, it should be subject to no regulatory constraints greater than those imposed on AT&T. Teliix requests that its interexchange business services offerings described in its proposed tariff be regulated under this form of relaxed regulation.

This Application demonstrates that Teliix has the technical, financial and managerial resources to provide facilities-based and resold local exchange service and resold-based long distance service within South Carolina. The granting of this Application will promote the public interest by increasing the level of competition in the telecommunications markets of the state. Competition of this nature will mandate that all local telecommunications providers will operate more efficiently and improve the overall service quality for consumers.

Approval of the Application of Teliix will serve the public interest by offering consumers throughout the State of South Carolina a meaningful quality service option. Approval of this Application will also benefit consumers by creating greater competition in the interexchange and local marketplace. Competition in the telecommunications marketplace inspires innovation and development of services that meet customer needs cost effectively.

Wherefore, Teliix respectfully petitions this Commission for authority to operate as a facilities-based provider of local exchange service and a reseller of long distance telecommunications services in the State of South Carolina in accordance with this Application, for flexible regulatory treatment of its local exchange services, for alternative regulation of its long distance business service offerings, and for such other relief as it deems necessary and appropriate.

s/Samuel J. Wellborn

Frank R. Ellerbe, III (SC Bar No. 01866)

Samuel J. Wellborn (SC Bar No. 101979)

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